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RUEHKO/AMEMBASSY TOKYO PRIORITY 1289
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SUBJECT: TURKMENISTAN: INDIA SEEKING TO REINVIGORATE ITS
RELATIONSHIP

11. (SBU) Sensitive but unclassified. Not for public
Internet.

12. (SBU) SUMMARY: India and Turkmenistan took yet another
step toward reenergizing their bilateral relationship with
the April 4-6 visit of India's Vice President Hamid Ansari to
Turkmenistan. During the visit, Turkmenistan's President
Berdimuhamedov threw his support behind India's inclusion in
the Trans-Afghanistan pipeline (TAPI) consortium. The two
countries signed only one document, a memorandum of
understanding on energy cooperation that establishes a basis
for possible expansion of Indian energy companies into
Turkmenistan. However, they discussed an additional seven or
eight cooperation agreements that would substantially broaden
bilateral cooperation and that could be pulled together in
time for a Berdimuhamedov visit to New Delhi, which will
probably take place before October. With both sides
apparently eager to take their relationship to a new level,
the prospects for increased engagement appear positive. END
SUMMARY.

13. (SBU) India Vice President Hamid Ansari's April 4-6 visit
to Turkmenistan was part of an Indian effort to restart a
relationship largely put on hold since the late 1990's,
according to the Indian Deputy Chief of Mission, Binaya
Srikanta Pradhan. The visit followed Turkmenistan Deputy
Prime Minister/Foreign Minister Rashid Meredov's successful
January 20-22 visit to New Delhi. Ansari, an experienced
career diplomat, insisted that his meetings with President
Berdimuhamedov and other officials be heavy in substance, and
the two sides discussed a new plan for comprehensive
engagement. The next step will be a visit by Turkmenistan's
President Gurbanguly Berdimuhamedov to New Delhi sometime
before October 2008.

MOU LEAVES DOOR OPEN TO INDIAN INVOLVEMENT IN TAPI

14. (SBU) The two sides signed an energy memorandum of understanding (MOU) that has been under negotiation for two years. The MOU opens the possibility for Indian companies to work with Turkmen firms on several energy projects that focus on oil exploration and gas pipeline construction. Pradhan reported that Ansari urged the Government of Turkmenistan to give the Oil and Natural Gas Corporation (ONGC), India's top petroleum company, a contract to help build or rebuild a pipeline -- either the Central Asian-Center pipeline, a portion of the new Turkmenistan-to-China pipeline, or a portion of the Caspian Littoral pipeline. Indian firms are also examining the possibility of producing compressed natural gas (CNG) or liquified natural gas (LNG), according to Pradhan.

...BUT BOTH SIDES ACKNOWLEDGE "IMPEDIMENTS"

15. (SBU) The MOU also lays the groundwork for Indian companies to play a significant role in producing the natural gas in Turkmenistan that will someday be delivered via the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline to South Asia, though Pradhan characterized this as a "long-term, strategic" objective. Turkmenistan threw its support behind India's bid to join the TAPI consortium -- in time for the TAPI meeting in Islamabad later this month. However, Vice President Ansari refused to answer press questions on the current status of the TAPI pipeline, and would only say that technical discussions were continuing. Although both Berdimuhamedov and Vice President Ansari were guarded in their commentaries about TAPI, they both

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acknowledged there were "impediments" to the project getting off the ground.

16. (SBU) While the media reported that ONGC wants an onshore production sharing agreement at a discovered field similar to what the Chinese have, Pradhan reported that Berdimuhamedov and other Turkmen officials were adamant about not letting ONGC work onshore. ONGC is also exploring the possibility of signing an agreement to work offshore Caspian blocks 11 and 12 jointly with the German petroleum company, Wintershall.

ROUNDING OUT THE RELATIONSHIP

17. (SBU) However, the two sides actually spent more time discussing a number of agreements that are being prepared for Berdimuhamedov's visit to New Delhi, including an agreement on trade and economic relations that will allow Indian automobile, truck, and tractor companies to market their products in Turkmenistan; a "comprehensive" cultural exchange agreement for 2008-2010; and an education exchange agreement to strengthen cooperation between Indian and Turkmen universities. Ansari also visited Mary City -- not, as Itar-Tass claimed, to visit the massive Dovletabad gas field that initially had been earmarked for the TAPI pipeline (but whose gas is now being exported to Russia), but rather, to sightsee at the Mary municipal museum and the ancient historical site of Merv.

18. (SBU) COMMENT: Even with TAPI on hold, India has much to gain from rebuilding its relationship with Turkmenistan. This should be relatively straightforward: the relationship seems to have gone into hibernation more because of inertia than because of any series of incidents. And with Berdimuhamedov seeking foreign investment -- and Indian businessmen apparently willing to direct at least some of their funds toward Turkmenistan -- the prospects for increased engagement appear positive. END COMMENT.
HOAGLAND